



United States Department  
of Agriculture

National Agricultural  
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# SPECIAL DAIRY REPORT

Pennsylvania Dept. of Agriculture

Pennsylvania Milk Marketing Board

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**Highlights:** Pennsylvania wholesale milk prices for the 12-month period September 1998-August 1999 averaged \$15.98 per hundredweight, which was 7.6 percent above the same time period a year earlier.

Production costs averaged \$13.17 per hundredweight of milk for the 12-month period ended September 30, 1999. This is 4.0 percent less than production costs a year ago.

Information is made possible by the voluntary cooperation of Pennsylvania dairy farmers. Questionnaires are mailed to a representative sample of dairy farmers on a monthly basis. Additional reports are obtained by telephone, as needed, to supplement the mail response. Data on production costs and wholesale milk prices are tabulated using responses from commercial dairy farms. A commercial dairy farm is defined as a farm with 10 or more milk cows.

Table 1: Cost of Producing Milk, Average for Commercial Dairy Farms,  
By Milkshed, Specified Periods, Pennsylvania, 1997-99<sup>1</sup>

One Year Average Ending:	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
	<i>Dollars Per 100 Pounds of Milk</i>											
March 31	16.21	15.43	14.95	15.81	14.75	13.89	14.87	13.78	12.70	15.32	14.29	13.26
June 30	16.44	15.15	14.85	15.93	14.36	14.02	15.00	13.44	12.58	15.47	13.91	13.24
September 30	16.00	15.18	14.44	15.55	14.19	13.87	14.56	13.18	12.65	15.03	13.72	13.17
December 31	15.64	15.09		15.02	14.20		14.22	12.94		14.64	13.53	

<sup>1</sup> These estimates of the cost of producing milk do not include any returns (costs) for management or equity capital. Neither do they include any possible changes in inventory values of either capital or non-capital assets or liabilities not otherwise accounted for by reported depreciation. Estimates of returns to (costs of) unpaid owner-operator labor and other unpaid family labor are included. Government assessments or deductions for various purposes are **not included** in the estimates of costs that are reported here. (See footnote 1 to Table 2, below.) For a further description of the procedures used to estimate these costs, refer to *Revised Procedures Used by the Pennsylvania Agricultural Statistics Service to Estimate the Cost of Producing Milk*, by Blair J. Smith, Stephen A. Ford, Bradley D. Parks, and Reid S. Miller, A.E. & R.S. 237, The Pennsylvania State University, August 1992.

Table 2: Wholesale Milk Price, Average Price Reported By Commercial Dairy Farmers, 1997-99<sup>1</sup>

Month	Milkshed											
	Pittsburgh			New York			Philadelphia			State		
	1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
	<i>Dollars Per 100 Pounds of Milk</i>											
January	13.84	15.82	18.41	13.54	15.34	18.16	14.01	15.30	18.31	13.90	15.40	18.30
February	13.57	15.60	17.38	13.73	15.27	16.69	13.99	15.53	17.16	13.90	15.50	17.10
March	14.27	15.41	17.28	14.35	15.13	16.83	14.29	15.48	16.71	14.30	15.40	16.80
April	14.02	15.21	12.72	13.77	14.68	12.53	14.35	15.32	12.60	14.20	15.20	12.60
May	13.81	14.27	13.69	13.59	13.48	13.18	13.85	14.24	13.39	13.80	14.10	13.40
June	12.82	14.26	13.78	12.95	14.16	13.52	13.35	14.67	14.03	13.20	14.50	13.90
July	12.61	13.81	13.92	12.52	13.82	13.92	12.92	13.80	13.89	12.80	13.80	13.90
August	13.23	15.88	14.13	12.97	15.33	14.58	13.10	15.59	14.24	13.10	15.60	14.30
September	12.91	17.07		13.00	17.02		13.02	17.30		13.00	17.20	
October	13.86	18.03		14.44	17.67		14.98	18.08		14.70	18.00	
November	15.23	17.77		15.42	17.98		15.59	18.05		15.50	18.00	
December	15.58	19.03		15.43	18.75		15.65	18.00		15.60	18.30	
<b>Annual</b>	<b>13.81</b>	<b>16.01</b>		<b>13.81</b>	<b>15.72</b>		<b>14.09</b>	<b>15.95</b>		<b>14.00</b>	<b>15.92</b>	

<sup>1</sup> These estimates of the wholesale milk price do include whatever government assessments or deductions are in effect at any given time. Thus, one may think of costs as being understated, or prices as being overstated, by the sum of whatever government deductions and assessments happen to be in effect in the month or quarter of interest. At the same time, however, any refunds the farmer may later obtain are not included in returns as an offset to such assessments or deductions.

Table 3: Cost of Producing Milk, As Reported By Commercial Dairy  
Farmers, By Milkshed, 1998 & 1999<sup>1</sup>

Item	Pittsburgh		New York		Philadelphia		State	
	1998	1999	1998	1999	1998	1999	1998	1999
<i>Dollars Per Cwt. of Milk Shipped</i>								
Cost of Purchased Feed:								
July	3.047	2.613	3.472	3.360	2.664	2.765	2.879	2.836
August	3.208	2.907	3.109	3.203	2.979	2.887	3.052	2.973
September	2.852	2.814	3.521	3.135	2.839	3.042	2.947	3.024
Cost of Fertilizer & Lime:								
July	0.770	0.325	0.873	0.270	0.621	0.731	0.700	0.572
August	0.507	0.483	0.304	0.166	0.256	0.161	0.309	0.206
September	0.388	0.302	0.174	0.353	0.147	0.098	0.190	0.177
Cost of Farm Fuels & Lubricants:								
July	0.449	0.306	0.514	0.355	0.288	0.299	0.361	0.308
August	0.380	0.330	0.326	0.310	0.239	0.224	0.282	0.257
September	0.378	0.357	0.348	0.367	0.282	0.265	0.307	0.296
Cost of Dairy Animals Purchased:								
July	0.134	0.287	0.389	0.280	0.419	0.255	0.357	0.263
August	0.130	0.199	0.137	0.523	0.121	0.112	0.126	0.214
September	0.167	0.483	0.276	0.540	0.137	0.271	0.164	0.353
Cost of Hauling:								
July	0.564	0.582	0.401	0.392	0.604	0.650	0.560	0.596
August	0.610	0.565	0.356	0.382	0.602	0.634	0.555	0.567
September	0.592	0.569	0.391	0.379	0.597	0.580	0.565	0.540
Interest Paid on Indebtness:								
July	0.447	0.200	0.436	0.282	0.388	0.374	0.410	0.331
August	0.445	0.203	0.455	0.288	0.397	0.374	0.419	0.333
September	0.447	0.195	0.444	0.282	0.408	0.367	0.421	0.325
Depreciation:								
July	0.821	0.709	0.545	0.737	0.538	0.665	0.590	0.676
August	0.817	0.718	0.569	0.751	0.551	0.665	0.603	0.682
September	0.821	0.690	0.554	0.736	0.566	0.653	0.606	0.666
Value of Unpaid Family Labor:								
July	3.132	2.738	2.912	2.584	2.461	2.125	2.725	2.360
August	3.563	3.150	2.686	2.650	2.101	2.152	2.479	2.437
September	4.226	2.956	2.711	2.446	2.416	2.246	2.752	2.447
Cost of Hired Labor:								
July	0.705	0.437	0.539	0.679	0.716	0.726	0.689	0.668
August	0.861	0.506	0.739	0.679	0.722	0.892	0.755	0.778
September	0.653	0.558	0.704	0.610	0.775	0.893	0.745	0.782
Other Costs:								
July	4.387	4.406	4.269	4.134	4.164	4.462	4.261	4.348
August	4.363	4.460	4.460	4.210	4.262	4.465	4.354	4.382
September	4.385	4.284	4.344	4.126	4.381	4.385	4.373	4.281
Total Costs <sup>2</sup> :								
July	14.46	12.60	14.35	13.07	12.86	13.05	13.53	12.96
August	14.88	13.52	13.14	13.16	12.23	12.56	12.93	12.83
September	14.91	13.21	13.47	12.97	12.55	12.80	13.07	12.89

<sup>1</sup> All costs listed apply to milk only. Adjustments for other farm crop or livestock enterprises, and for sales of dairy livestock (surplus and cull cows, heifers, and calves), have already been made. <sup>2</sup> Costs reported in this Table in the *Special Dairy Report* through the fourth quarter 1992 (Vol. 92, No. 04) were for the whole farm. Beginning with the first quarter 1993 (Vol. 93, No. 1), costs are for milk only. Thus, the costs earlier shown for the months through December 1992 are different than those now being shown for those same months. Though no longer reported above, Cost of Other Livestock Purchased is included in "Total Costs" through December 1992. The new procedures for estimating the cost of producing milk (installed January 1, 1993) do not attribute any portion of the cost of other livestock purchased to the cost of producing milk.

Table 4: Milk Cows & Milk Production, By Months, 1996-1999, Revised <sup>1</sup>

Milkshed Area	Number of Milk Cows <sup>2</sup>				Average Production Per Cow				Total Milk Produced <sup>3</sup>			
	1996	1997	1998	1999	1996	1997	1998	1999	1996	1997	1998	1999
	(000)				Pounds				Million Pounds			
<b>Pittsburgh</b>												
January	132	127	124	123	1,295	1,260	1,350	1,360	171	160	167	167
February	131	127	125	125	1,230	1,185	1,230	1,255	161	149	154	157
March	131	126	126	124	1,320	1,380	1,380	1,480	173	174	174	184
April	131	126	126	122	1,345	1,320	1,410	1,470	176	166	178	179
May	131	127	124	121	1,405	1,350	1,440	1,520	184	171	179	184
June	129	127	125	122	1,320	1,295	1,300	1,425	170	164	163	174
July	128	127	124	121	1,305	1,300	1,310	1,400	167	165	162	169
August	131	125	124	121	1,280	1,295	1,270	1,380	168	162	157	167
September	130	124	125	121	1,210	1,250	1,290	1,340	157	155	161	162
October	131	126	124		1,200	1,280	1,250		157	161	155	
November	127	126	125		1,165	1,200	1,210		148	151	151	
December	127	126	124		1,235	1,285	1,270		157	162	157	
Total or Average	130	126	125		15,310	15,400	15,710		1,989	1,940	1,958	
<b>New York</b>												
January	121	122	121	117	1,325	1,360	1,380	1,340	160	166	167	157
February	121	122	120	115	1,250	1,205	1,230	1,260	151	146	148	145
March	121	123	121	116	1,360	1,320	1,430	1,470	165	162	173	171
April	121	121	119	116	1,355	1,395	1,440	1,450	164	169	171	168
May	122	121	119	115	1,420	1,445	1,410	1,510	173	175	168	174
June	122	120	119	115	1,330	1,380	1,300	1,410	162	166	155	162
July	122	121	118	115	1,290	1,330	1,330	1,385	157	161	157	159
August	121	122	119	116	1,260	1,260	1,290	1,370	152	154	154	159
September	123	120	119	118	1,220	1,250	1,255	1,335	150	150	149	158
October	122	120	119		1,260	1,340	1,250		154	161	149	
November	123	120	118		1,220	1,220	1,210		148	146	143	
December	122	120	117		1,300	1,300	1,260		159	156	147	
Total or Average	122	121	119		15,570	15,805	15,785		1,895	1,912	1,881	
<b>Philadelphia</b>												
January	383	383	380	377	1,460	1,460	1,580	1,555	559	559	600	586
February	384	383	380	375	1,415	1,400	1,450	1,450	543	536	551	544
March	383	382	377	374	1,545	1,550	1,620	1,620	592	592	611	606
April	383	384	379	377	1,490	1,510	1,600	1,600	571	580	606	603
May	382	382	380	379	1,500	1,560	1,630	1,660	573	596	619	629
June	384	382	379	377	1,425	1,490	1,520	1,545	547	569	576	582
July	384	380	381	378	1,420	1,490	1,550	1,520	545	566	591	575
August	382	380	380	378	1,410	1,495	1,535	1,505	539	568	583	569
September	381	383	379	377	1,365	1,430	1,450	1,465	520	548	550	552
October	380	380	378		1,420	1,475	1,520		540	561	575	
November	383	379	377		1,375	1,475	1,490		527	559	562	
December	383	379	378		1,420	1,520	1,545		544	576	584	
Total or Average	383	381	379		17,245	17,855	18,490		6,600	6,810	7,008	
<b>State</b>												
January	636	632	625	617	1,400	1,400	1,495	1,475	890	885	934	910
February	636	632	625	615	1,345	1,315	1,365	1,375	855	831	853	846
March	635	631	624	614	1,465	1,470	1,535	1,565	930	928	958	961
April	635	631	624	615	1,435	1,450	1,530	1,545	911	915	955	950
May	635	630	623	615	1,465	1,495	1,550	1,605	930	942	966	987
June	635	629	623	614	1,385	1,430	1,435	1,495	879	899	894	918
July	634	628	623	614	1,370	1,420	1,460	1,470	869	892	910	903
August	634	627	623	615	1,355	1,410	1,435	1,455	859	884	894	895
September	634	627	623	616	1,305	1,360	1,380	1,415	827	853	860	872
October	633	626	621		1,345	1,410	1,415		851	883	879	
November	633	625	620		1,300	1,370	1,380		823	856	856	
December	632	625	619		1,360	1,430	1,435		860	894	888	
Total or Average	634	629	623		16,530	16,960	17,415		10,484	10,662	10,847	

<sup>1</sup> Refers to all Pennsylvania farms including herds with 1-9 cows. Totals may not add due to rounding. <sup>2</sup> Includes dry cows. Excludes heifers not yet fresh. <sup>3</sup> Excludes milk sucked by calves.

## Milk Production Highlights

Milk production in **Pennsylvania** during the third quarter of 1999 totaled 2.67 billion pounds, up 0.2 percent from the comparable period last year. Milk production per cow for the quarter totaled 4,341 pounds, 301 pounds below the second quarter of 1999. Total milk cows averaged 615,000 head during the quarter, unchanged from the second quarter 1999 average.

Milk production in the **United States** during the July-September quarter totaled 39.8 billion pounds, 3.3 percent above the comparable period in 1998. Milk production per cow for the quarter totaled 4,342 pounds, down 245 pounds from the second quarter of 1999. Total milk cows in the United States averaged 9.16 million head during the quarter, 15,000 head above the corresponding period in 1998.

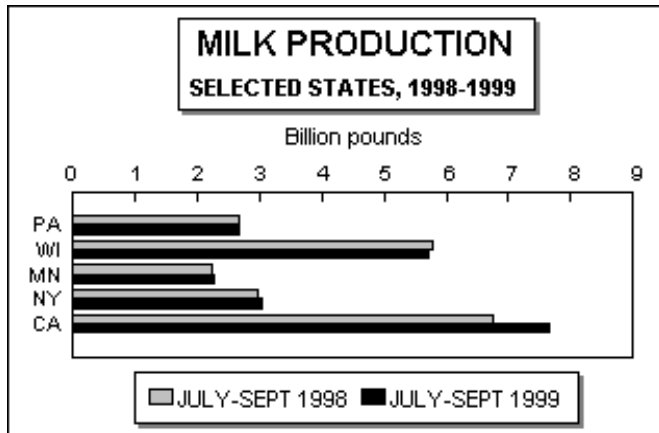


Table 5: Milk Production,  
Selected States, 1998-99

State	Jul-Sep 1998	Jul-Sep 1999	1999 as a % of 1998
<i>Million Pounds</i>			
Pennsylvania	2,664	2,670	100
Wisconsin	5,779	5,724	99
Minnesota	2,236	2,270	102
New York	2,958	3,019	102
California	6,762	7,654	113
United States	38,519	39,800	103

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